

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
FORM 10-Q

(Mark One)

☒ QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended June 30, 2009

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE EXCHANGE ACT

For the transition period from _____ to _____

Commission file number 0-15888

IGENE Biotechnology, Inc.

(Exact name of registrant as specified in its charter)

Maryland

(State or other jurisdiction of
incorporation or organization)

52-1230461

(I.R.S. Employer
Identification No.)

9110 Red Branch Road, Columbia, Maryland 21045-2024

(Address of principal executive offices)

(410) 997-2599

(Registrant's telephone number, including area code)

None

(Former name, former address and former fiscal year,
if changed since last report)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	<input type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input checked="" type="checkbox"/>

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes ☒ No ☒

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date:

There were 1,560,404,297 shares of common stock, par value \$0.01, issued and outstanding as of August 3, 2009.

FORM 10-Q
IGENE Biotechnology, Inc.

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IGENE BIOTECHNOLOGY, INC. QUARTERLY REPORT
UNDER SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934

PART I
FINANCIAL INFORMATION

Item 1. Financial Statements**IGENE Biotechnology, Inc. and Subsidiary
Consolidated Balance Sheets**

	June 30, 2009 (Unaudited)	December 31, 2008
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 1,526,272	\$ 1,488,011
Accounts receivable	1,226,969	1,045,767
Inventory	39,628	2,398,520
Due from NaturXan	1,093,626	---
Prepaid expenses and other current assets	44,421	23,702
TOTAL CURRENT ASSETS	3,930,916	4,956,000
 Property and equipment (net of accumulated depreciation of \$444,569 and \$360,917, respectively)	 944,050	 831,838
5 year non-compete (net of accumulated amortization of \$46,193 and \$30,796, respectively)	107,784	123,181
Intellectual property	149,670	149,670
Other assets	5,125	5,125
TOTAL ASSETS	\$ 5,137,545	\$ 6,065,814
 LIABILITIES AND STOCKHOLDERS' DEFICIENCY		
CURRENT LIABILITIES		
Accounts payable and accrued expenses	\$ 1,148,280	\$ 2,849,455
Guarantee in debt of NaturXan	558,086	---
TOTAL CURRENT LIABILITIES	1,706,366	2,849,455
 LONG-TERM DEBT		
Notes payable (net of unamortized discount of \$10,276)	353,598	353,598
Contingent liability on joint venture separation	5,000,000	5,000,000
Accrued interest	321,603	307,247
 REDEEMABLE PREFERRED STOCK		
Carrying amount of redeemable preferred stock, 8% cumulative, convertible, voting, series A, \$0.01 par value per share. Stated value \$21.28 and \$20.96, respectively. Authorized 1,312,500 shares; issued and outstanding 11,134 shares.	236,923	233,377
TOTAL LIABILITIES	7,618,490	8,743,677
 COMMITMENTS AND CONTINGENCIES		
 STOCKHOLDERS' DEFICIENCY		
Common stock --- \$0.01 par value per share. Authorized 3,000,000,000 shares; issued and outstanding 1,518,503,841 shares.	15,185,038	15,185,038
Additional paid-in capital	34,885,649	34,885,649
Accumulated deficit	(52,599,935)	(52,730,767)
Other comprehensive income	48,303	(17,783)
TOTAL STOCKHOLDERS' DEFICIENCY	(2,480,945)	(2,677,863)
 TOTAL LIABILITIES AND STOCKHOLDERS' DEFICIENCY	 \$ 5,137,545	 \$ 6,065,814

The accompanying notes are an integral part of the financial statements.

IGENE Biotechnology, Inc. and Subsidiary
Consolidated Statements of Operations
(Unaudited)

	<u>Three months ended</u>		<u>Six months ended</u>	
	<u>June 30,</u>	<u>June 30,</u>	<u>June 30,</u>	<u>June 30,</u>
	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>
<u>REVENUE</u>				
Sales	\$ 1,595,525	\$ 1,656,167	\$ 2,837,310	\$ 4,527,669
Cost of sales	<u>1,571,727</u>	<u>1,230,096</u>	<u>2,516,912</u>	<u>3,597,506</u>
GROSS PROFIT	23,798	426,071	320,398	930,163
LOSS OF JOINT VENTURE	<u>(323,876)</u>	<u>---</u>	<u>(558,086)</u>	<u>---</u>
<u>OPERATING EXPENSES</u>				
Marketing and selling	80,274	163,697	186,384	461,995
Research and development	417,340	439,434	878,515	789,538
General and administrative	249,503	227,685	482,159	404,795
Operating expenses reimbursed by Joint Venture	<u>(453,418)</u>	<u>---</u>	<u>(906,837)</u>	<u>---</u>
TOTAL OPERATING EXPENSES	<u>293,699</u>	<u>830,816</u>	<u>640,221</u>	<u>1,656,328</u>
OPERATING LOSS	<u>(593,777)</u>	<u>(404,745)</u>	<u>(877,909)</u>	<u>(726,165)</u>
OTHER INCOME	901	---	1,026,642	2,040
INTEREST EXPENSE (including amortization of debt discount of \$351,695 and \$703,390, respectively, for the three and six months ended June 30, 2008)	<u>(9,030)</u>	<u>(550,897)</u>	<u>(17,901)</u>	<u>(1,101,749)</u>
NET INCOME (LOSS)	<u>\$ (601,906)</u>	<u>\$ (955,642)</u>	<u>\$ 130,832</u>	<u>\$ (1,825,874)</u>
OTHER COMPREHENSIVE INCOME (LOSS)				
Foreign exchange translation	54,084	(171,880)	66,086	47,976
TOTAL COMPREHENSIVE INCOME (LOSS)	<u>\$ (547,822)</u>	<u>\$ (1,127,522)</u>	<u>\$ 196,918</u>	<u>\$ (1,777,898)</u>
BASIC AND DILUTED NET INCOME (LOSS) PER COMMON SHARE	<u>\$ (0.00)</u>	<u>\$ (0.01)</u>	<u>\$ 0.00</u>	<u>\$ (0.02)</u>
WEIGHTED AVERAGE SHARES OUTSTANDING	<u>1,518,503,841</u>	<u>110,337,072</u>	<u>1,518,503,841</u>	<u>110,337,072</u>

The accompanying notes are an integral part of the financial statements.

IGENE Biotechnology, Inc. and Subsidiary
Consolidated Statement of Stockholders' Deficiency
(Unaudited)

	Common Stock (shares/amount)		Additional Paid-in Capital	Accumulated Deficit	Other Comprehensive Income	Total Stockholders' Deficiency
Balance at January 1, 2009	1,518,503,841	\$15,185,038	\$ 34,885,649	\$ (52,730,767)	\$ (17,783)	\$ (2,677,863)
Gain due to currency translation	---	---	---	---	66,086	66,086
Net income for the six months ended June 30, 2009	---	---	---	130,832	---	130,832
Balance at June 30, 2009	1,518,503,841	\$15,185,038	\$ 34,885,649	\$ (52,599,935)	\$ 48,303	\$ (2,480,945)

The accompanying notes are an integral part of the financial statements.

IGENE Biotechnology, Inc. and Subsidiary
Consolidated Statements of Cash Flows
(Unaudited)

	<u>Six months ended</u>	
	<u>June 30,</u> <u>2009</u>	<u>June 30,</u> <u>2008</u>
Cash flows from operating activities		
Net income (loss)	\$ 130,832	\$ (1,825,874)
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:		
Amortization of debt discount	---	703,390
Depreciation	83,651	8,147
Increase in preferred stock for cumulative dividends classified as interest	3,546	3,566
Amortization of customer contracts and non-compete	15,397	132,227
Loss of joint venture	558,086	---
Gain on forgiveness of debt	(1,025,741)	---
Decrease (increase) in:		
Accounts receivable	(181,201)	1,378,919
Inventory	2,358,892	3,215,689
Prepaid expenses and other current assets	(20,719)	625
Increase in:		
Accounts payable and accrued expenses	<u>(661,078)</u>	<u>(3,211,107)</u>
Net cash provided by operating activities	<u>1,261,665</u>	<u>405,582</u>
Cash flows from investing activities		
Purchase of equipment	(195,863)	(219,180)
Advances to joint venture	<u>(1,093,627)</u>	<u>---</u>
Net cash used in investing activities	<u>(1,289,490)</u>	<u>(219,180)</u>
Cash flows from financing activities		
Net cash provided by financing activities	<u>---</u>	<u>---</u>
Gain due to currency translation	66,086	47,976
Net increase in cash and cash equivalents	38,261	234,378
Cash and cash equivalents at beginning of period	<u>1,488,011</u>	<u>1,026,350</u>
Cash and cash equivalents at end of period	<u>\$ 1,526,272</u>	<u>\$ 1,260,728</u>
<u>Supplementary disclosure and cash flow information</u>		
Cash paid for interest	\$ ---	\$ ---
Cash paid for income taxes	---	---

See Note (4) for non-cash investing and financing activities.

The accompanying notes are an integral part of the financial statements.

IGENE Biotechnology, Inc. and Subsidiary
Notes to Consolidated Financial Statements
(Unaudited)

(1) Unaudited Consolidated Financial Statements

The June 30, 2009 consolidated financial statements presented herein are unaudited, and in the opinion of management, include all adjustments (consisting only of normal recurring accruals) necessary for a fair presentation of financial position, results of operations and cash flows. Such financial statements do not include all of the information and footnote disclosures normally included in financial statements prepared in accordance with accounting principles generally accepted in the United States of America. This Quarterly Report on Form 10-Q should be read in conjunction with the Annual Report on Form 10-K for IGENE Biotechnology, Inc. ("Igene" or the "Company") for the year ended December 31, 2008. The December 31, 2008 consolidated balance sheet is derived from the audited balance sheet included therein.

(2) Nature of Operations

Igene was incorporated in the State of Maryland on October 27, 1981 to develop, produce and market value-added specialty biochemical products. Igene is a supplier of natural astaxanthin, an essential nutrient in different feed applications and a source of pigment for coloring farmed salmon species. Igene is also venturing to supply astaxanthin as a nutraceutical ingredient. Igene is focused on research and development in the areas of fermentation technology, nutrition and health and the marketing of products and applications worldwide. Igene is the developer of AstaXin®, a natural astaxanthin product made from yeast, which is used as a source of pigment for coloring farmed salmonids.

Igene has devoted its resources to the development of proprietary processes to convert selected agricultural raw materials or feedstocks into commercially useful and cost effective products for the food, feed, flavor and agrochemical industries. In developing these processes and products, Igene has relied on the expertise and skills of its in-house scientific staff and, for special projects, various consultants.

In 2000, Igene formed a wholly-owned subsidiary, Igene Chile Comercial, Ltda., in Chile. The subsidiary has a sales and customer service office in Puerto Varas, Chile, and a product warehouse in Puerto Montt, Chile.

In an effort to develop a dependable source of production, on March 19, 2003, Tate & Lyle PLC ("Tate") and Igene announced a 50:50 joint venture to produce AstaXin® for the aquaculture industry, which we refer to as the "Joint Venture." Production utilized Tate's fermentation capability together with the unique technology developed by Igene. Part of Tate's existing citric acid facility located in Selby, England, was modified to include the production of this product. Tate's investment of approximately \$24,600,000 included certain of its facility assets that were used in citric acid production. Igene's contribution to the Joint Venture, including its intellectual property and its subsidiary in Chile, was valued by the parties as approximately equal to Tate's contribution. For accounting purposes, Igene's accounting contribution was valued at zero.

On October 31, 2007, Igene and Tate entered into a Separation Agreement pursuant to which the venture was terminated. As part of the Separation Agreement, Igene sold to Tate its 50% interest in the venture and the venture sold to Igene its intellectual property, inventory and certain assets and lab equipment utilized by the venture as well as Igene's subsidiary in Chile. The purchase price paid by Tate to Igene for its 50% interest in the venture was 50% of the venture's net working capital. The purchase price paid by Igene for the inventory was an amount equal to 50% of the venture's net working capital, the assumption of various liabilities and the current market price of the inventory, less specified amounts. In addition, Igene agreed to pay to Tate an amount equal to 5% of Igene's gross revenues from the sale of astaxanthin up to a maximum of \$5,000,000. Tate agreed for a period of five years not to engage in the astaxanthin business.

On January 8, 2009, Igene entered into an agreement with Archer-Daniels-Midland Company ("ADM") pursuant to which the Company and ADM formed a joint venture (the "ADM JV") to manufacture and sell astaxanthin and derivative products throughout the world. Each of the Company and ADM has a 50% ownership interest in the ADM JV and has equal representation on the Board of Managers of the ADM JV.

IGENE Biotechnology, Inc. and Subsidiary
Notes to Consolidated Financial Statements
(Unaudited)
(continued)

(3) Non-Cash Investing and Financing Activities

During the six months ended June 30, 2009 and 2008, the Company recorded in each quarter dividends in arrears on its 8% Redeemable Preferred Stock accumulating at \$0.16 per share aggregating to \$3,546 and \$3,566, respectively.

During November of 2008, Igene commenced the process of offering to exchange its Common Stock to holders of Igene notes, debentures and warrants. The exchanges that occurred resulted in recording of additional paid in capital on the termination of the debt in the amount of \$8,649,796. The details are as follows:

Pursuant to the terms of an indenture dated as of March 31, 1998, as amended (the "Indenture") between Igene and American Stock Transfer & Trust Company, as Trustee (the "Trustee"), Igene issued and sold \$5,000,000 of its 8% notes (the "8% Notes"). Concurrently with the issuance of the 8% Notes, Igene issued, pursuant to that certain Warrant Agreement by and between Igene and American Stock Transfer & Trust Company (the "Warrant Agent") dated as of March 31, 1998, as amended (the "Warrant Agreement"), 50,000,000 warrants to purchase shares of Igene Common Stock for \$0.10 per share expiring March 31, 2008. The warrant purchase price under the Warrant Agreement was reduced to \$0.075 per share, and the maturity date of the 8% Notes was extended to March 31, 2006, by an amendment dated March 18, 2003, and approved by the requisite number of holders of the securities.

On March 28, 2006, Igene and American Stock Transfer & Trust Company, in its capacity as Trustee and Warrant Agent, entered into a Second Amendment to Indenture, Securities, Warrant Agreement and Warrant Certificates that extended the maturity date of the 8% Notes to March 31, 2009, and reduced the warrant price under the Warrant Agreement from \$0.075 to \$0.056 per share.

On October 23, 2008, Igene and American Stock Transfer & Trust Company, in its capacity as Trustee and Warrant Agent, entered into a Third Amendment to Indenture, Securities, Warrant Agreement and Warrant Certificates that extended the maturity date of the 8% Notes to March 31, 2019. The warrants under the Warrant Agreement expired as of March 31, 2008.

On November 28, 2008, Igene commenced an offering to exchange shares of its common stock to holders of its privately held debt and associated warrants. On December 3, 2008, Igene completed an offering to issue 145,600 shares of our Common Stock, par value \$0.01 per share, in exchange for each \$1,000 principal amount of the 8% Notes outstanding and accrued interest thereon. As of that date, \$4,759,767 of 8% notes principal were outstanding, with \$4,064,450 accrued interest thereon. Of these notes, \$4,436,515 of notes principal with \$3,788,419 of interest were exchanged for 645,956,606 shares of Igene common stock at a price of \$0.005 per share. As a result, additional paid in capital was recorded for the gain of \$4,995,151 on the retirement.

Much of the aforementioned indebtedness was held by current and past directors and consisted of the following:

The funds to settle the ProBio litigation were provided to the company by Igene's directors. On February 15, 2007, Igene issued and sold 5% Convertible Debentures with an aggregate principal amount of \$762,000 to two directors of Igene. These debentures were convertible into shares of Igene's Common Stock at \$0.02 per share. At the time of the exchange the accrued interest on this debt was \$67,641. All debt and interest under the 5% convertible debentures were exchanged for 66,371,244 shares of common stock.

Igene issued \$3,814,212 of 8% convertible debentures between March 2001 and July 2002. The debt had accrued \$2,204,106 of interest at the time of the exchange. Also, 66,427,650 warrants were issued in connection with the 8% convertible debentures. All of the debt and interest, as well as all of the warrants, were exchanged for 528,578,590 shares of Igene common stock. The original issuances that comprised this liability are as follows:

IGENE Biotechnology, Inc. and Subsidiary
Notes to Consolidated Financial Statements
(Unaudited)
(continued)

On July 17, 2002, Igene issued and sold \$300,000 in aggregate principal amount of 8% convertible debentures, 50% each to two directors of Igene. These debentures were convertible into shares of Igene's common stock at \$0.03 per share based on the market price of Igene's shares at the time the debentures were agreed to. In consideration of the commitment to purchase the 8% convertible debenture, these directors also received an aggregate of 10,000,000 warrants to purchase common stock at \$0.03 per share.

On February 22, 2002, Igene issued and sold \$1,000,000 in aggregate principal amount of 8% convertible debentures, 50% each to two directors of Igene. These debentures were convertible into shares of Igene's common stock at \$0.04 per share based on the market price of Igene's shares at the time the debentures were agreed to. In consideration of the commitment to purchase the 8% convertible debenture, these directors also received an aggregate of 25,000,000 warrants to purchase common stock at \$0.04 per share.

In March 2001, Igene issued \$1,014,211 of 8%, 10-year, convertible debentures to certain directors of Igene in exchange for the cancellation of \$800,000 of demand notes payable (including accrued interest of \$14,212) and \$200,000 in cash. \$600,000 of these demand notes were issued during 2000 and \$200,000 were issued subsequently. These debentures were convertible into 10,142,110 shares of Igene's common stock at \$0.08 per share. These directors also received 10,142,110 warrants to purchase common stock at \$0.08 per share.

In March 2001, certain directors of Igene also committed to provide additional funding in the form of 8%, 10-year, convertible debentures in the amount of \$1,500,000. In consideration of this commitment, these directors also received 18,750,000 warrants to purchase common stock at \$0.08 per share. These debentures are convertible into 18,750,000 shares of Igene's common stock at \$0.08 per share.

Convertible debentures were summarized as follows:

	<u>Principal</u>	<u>Accrued Interest</u>
8%, 10-year, convertible debenture issued 7/17/02	\$ 300,000	\$ 152,745
8%, 10-year, convertible debenture issued 2/22/02	1,000,000	538,301
8%, 10-year, convertible debenture issued 3/1/01	1,014,212	567,262
8%, 10-year, convertible debenture issued 3/27/01	1,500,000	945,798
5%, 10-year, convertible debenture issued 2/15/07	<u>762,000</u>	<u>67,641</u>
	\$ 4,576,212	\$ 2,271,747

Beginning November 16, 1995, and continuing through May 8, 1997, Igene issued promissory notes to certain directors for aggregate consideration of \$1,082,500. These notes specify that at any time prior to repayment the holder has the right to convert the notes to common stock of Igene at prices ranging from \$0.05 per share to \$0.135 per share, based on the market price of common shares at the respective issue dates. The notes were convertible in total into 13,174,478 shares of common stock. As a result of the extensions they are now convertible into 23,421,273 shares of common stock. At the time of the exchange the debt had accrued interest in the amount of \$832,485. Of the amount outstanding holders of \$1,041,878 of debt with \$801,269 of accrued interest agreed to exchange their holdings for 147,451,719 shares of Igene common stock. As part of this debt Igene had 60,541,666 warrants outstanding to purchase Igene common stock. 60,301,666 of these warrants were additionally settled in exchange for 19,808,610 shares of Igene common stock.

In total, 762,210,163 shares of Igene common stock were issued in exchange for \$5,618,090 of notes and debentures, \$3,073,015 of related interest, and 126,729,316 related warrants.

IGENE Biotechnology, Inc. and Subsidiary
Notes to Consolidated Financial Statements
(Unaudited)
(continued)

(4) Stockholders' Deficiency

As of June 30, 2009, 22,268 shares of authorized but unissued common stock were reserved for issue upon conversion of the Company's outstanding preferred stock.

As of June 30, 2009, 40,605,000 shares of authorized but unissued common stock were reserved for exercise pursuant to the Company's Employee Stock Option Plans.

As of June 30, 2009, 11,656,428 shares of authorized but unissued common stock were reserved for the exercise of outstanding warrants.

(5) Basic and Diluted Net Loss per Common Share

Basic and diluted net loss per common share for the three- month and six-month periods ended June 30, 2009 and 2008, are based on 1,518,503,841 and 110,337,072, respectively, of weighted average common shares outstanding. No adjustment has been made for any common stock equivalents outstanding because their effects would be antidilutive. As of June 30, 2009 and 2008, potentially dilutive shares totaled 1,570,787,537 and 488,414,337, respectively.

(6) Going Concern

Igene has incurred net losses in each year of its existence, aggregating approximately \$52,600,000 from inception to June 30, 2009 and as of June 30, 2009, Igene's liabilities exceeded its assets by approximately \$2,481,000. These factors indicate that Igene may not be able to continue in existence unless it is able to raise additional capital and attain profitable operations.

As discussed, as of October 31, 2007, Igene had terminated its relationship with Tate & Lyle. Igene maintained the saleable inventory after the termination of the relationship. Igene is selling the existing inventory in order to maintain its relationship with customers and use these funds to cover expenses. We anticipate that our current inventory will run out during the third quarter of 2009.

On January 8, 2009, Igene entered into an agreement with Archer-Daniels-Midland Company ("ADM") pursuant to which the Company and ADM formed a joint venture (the "ADM JV") to manufacture and sell astaxanthin and derivative products throughout the world. Each of the Company and ADM has a 50% ownership interest in the ADM JV and has equal representation on the Board of Managers of the ADM JV.

(7) NaturXan LLC

ADM has provided a working line of credit to the ADM JV bearing interest at the rate of 4% in excess of the one year LIBOR. As part of the ADM JV agreement both Igene and ADM agreed to provide a Guarantee for 50% of the indebtedness of the new venture NaturXan, LLC, up to \$1,612,500. The \$1,093,626 due from NaturXan is for services provided by Igene to the ADM JV. These fees are payable within 30 days of the receipt of the invoice. Unpaid invoices will accrue interest at the six month LIBOR.

Currently the joint venture is in the process of developing the manufacturing process. Management expects dependable production during the third quarter of 2009. As of the end of the second quarter Igene has not made an investment in the ADM JV.

IGENE Biotechnology, Inc. and Subsidiary
Notes to Consolidated Financial Statements
(Unaudited)
(continued)

(8) Forgiveness of Debt

Igene has recorded a gain of \$1,025,741. This is a one-time occurrence related to a liability recorded in a prior period related to the termination of the joint venture with Tate & Lyle. On February 26, 2009, Igene signed a settlement agreement of past obligations and made a final payment to Tate & Lyle in the amount of \$714,227. At the termination of the joint venture, Igene recorded liabilities of \$890,000 for payments of past payables of the joint venture as well as \$51,000 for costs related to collection of receivables of the joint venture. The expense was recorded when it was thought Igene could be liable for it, but with the exception of the \$5,000,000 liability related to future revenue (see Note 2), Igene has settled its debt to Tate & Lyle.

(9) Subsequent Event

On June 16, 2009 the Board of Directors of Igene approved a repurchase of all the outstanding employee stock options and warrants. It was agreed to repurchase 51,425,000 options and warrants, using 41,900,456 shares of restricted stock. Holders of options and warrants were contacted and agreements were reached. On July 16, 2009, shares were issued and options and warrants were cancelled.

**IGENE Biotechnology, Inc. and Subsidiary
Management's Discussion and Analysis of
Financial Condition and Results of Operations**

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

CAUTIONARY STATEMENTS FOR PURPOSES OF "SAFE HARBOR PROVISIONS" OF THE PRIVATE SECURITIES LITIGATION REFORM ACT OF 1995:

EXCEPT FOR HISTORICAL FACTS, ALL MATTERS DISCUSSED IN THIS REPORT, WHICH ARE FORWARD-LOOKING, INVOLVE A HIGH DEGREE OF RISK AND UNCERTAINTY. CERTAIN STATEMENTS IN THIS REPORT SET FORTH MANAGEMENT'S INTENTIONS, PLANS, BELIEFS, EXPECTATIONS OR PREDICTIONS OF THE FUTURE BASED ON CURRENT FACTS AND ANALYSES. WHEN WE USE THE WORDS "BELIEVE," "EXPECT," "ANTICIPATE," "ESTIMATE," "INTEND" OR SIMILAR EXPRESSIONS, WE INTEND TO IDENTIFY FORWARD-LOOKING STATEMENTS. YOU SHOULD NOT PLACE UNDUE RELIANCE ON THESE FORWARD-LOOKING STATEMENTS. ACTUAL RESULTS MAY DIFFER MATERIALLY FROM THOSE INDICATED IN SUCH STATEMENTS, DUE TO A VARIETY OF FACTORS, RISKS AND UNCERTAINTIES. POTENTIAL RISKS AND UNCERTAINTIES INCLUDE, BUT ARE NOT LIMITED TO, COMPETITIVE PRESSURES FROM OTHER COMPANIES WITHIN THE BIOTECH AGRICULTURE AND AQUACULTURE INDUSTRIES, ECONOMIC CONDITIONS IN THE COMPANY'S PRIMARY MARKETS, EXCHANGE RATE FLUCTUATIONS, REDUCED PRODUCT DEMAND, INCREASED COMPETITION, INABILITY TO PRODUCE REQUIRED CAPACITY, UNAVAILABILITY OF FINANCING, GOVERNMENT ACTION, WEATHER CONDITIONS AND OTHER UNCERTAINTIES, INCLUDING THOSE DETAILED IN "RISK FACTORS" THAT ARE INCLUDED FROM TIME-TO-TIME IN THE COMPANY'S SECURITIES AND EXCHANGE COMMISSION FILINGS. THE COMPANY ASSUMES NO DUTY TO UPDATE FORWARD-LOOKING STATEMENTS TO REFLECT EVENTS OR CIRCUMSTANCES AFTER THE DATE OF SUCH STATEMENTS.

Critical Accounting Policies

Except as otherwise provided herein, the preparation of our financial statements in conformity with accounting principles generally accepted in the United States (or "GAAP") requires management to make judgments, assumptions and estimates that affect the amounts reported in our financial statements and accompanying notes. Actual results could differ materially from those estimates. The following are critical accounting policies important to our financial condition and results of operations presented in the financial statements and require management to make judgments and estimates that are inherently uncertain:

The inventories are stated at the lower of cost or market. Cost is determined using a weighted-average approach, which approximates the first-in first-out method. If the cost of the inventories exceeds their expected market value, provisions are recorded for the difference between the cost and the market value. Inventories consist of currently marketed products.

Revenue from product sales are recognized when there is persuasive evidence that an arrangement exists, delivery has occurred, the price is fixed and determinable, and collectability is reasonably assured. Allowances are established for estimated uncollectible amounts, product returns and discounts.

The Joint Venture and the ADM Joint Venture was accounted for under the equity method of accounting as Igene has a 50% ownership interest.

Igene will recognize the loss of the ADM Joint Venture beyond the investment and advances to the ADM Joint Venture, to the point Igene maintains guarantees in the debt of the ADM Joint Venture.

**IGENE Biotechnology, Inc. and Subsidiary
Management's Discussion and Analysis of
Financial Condition and Results of Operations
(Continued)**

Results of Operations

Sales and other revenue

For the quarters ended June 30, 2009 and 2008, Igene recorded sales in the amounts of \$1,595,525 and \$1,656,167, respectively, an increase of \$60,642 or 3%. For the six months ended June 30, 2009 and 2008, Igene recorded sales in the amounts of \$2,837,310 and \$4,527,669, respectively, a decrease of \$1,690,359 or 37%. Sales had been limited in past years due to insufficient production quantity and have been limited in the current period as a source of production is being developed and production begins in the new ADM JV. Management believes that the ADM JV will provide saleable product that will allow Igene to be competitive in the market place and allow for increased sales in the future, though no assurances can be provided in this matter.

Cost of sales and gross profit

For the quarters ended June 30, 2009 and 2008, Igene recorded cost of sales in the amounts of \$1,571,727 and \$1,230,096, respectively, an increase of \$341,631 or 27%. This resulted in a gross profit of \$23,798, or 1% for the quarter ended June 30, 2009 and gross profit of \$426,071, or 25% for the quarter ended June 30, 2008. For the six months ended June 30, 2009 and 2008, Igene recorded cost of sales in the amounts of \$2,516,912 and \$3,597,506, respectively, a decrease of \$1,080,594 or 30%. This resulted in a gross profit of \$320,398, or 11% for the six months ended June 30, 2009 and gross profit of \$930,163, or 20% for the six months ended June 30, 2008. The gross profit is due mainly to the discount in which the product was purchased at the conclusion of the joint venture with Tate & Lyle. As with sales, with the termination of the joint venture with Tate & Lyle, there can be no assurance of the continued dependability of production. Management believes that the ADM JV will provide saleable product that will allow Igene to be competitive in the market place and allow for increased sales in the future, though no assurances can be provided in this matter. As a result, future cost of sales is expected to increase as a new source of production is developed.

Loss from Joint Venture

For the quarter ended June 30, 2009, Igene recorded a loss from the ADM JV of \$323,876. For the six months ended June 30, 2009, Igene recorded a loss from the ADM JV of \$558,086. On January 8, 2009, Igene entered into an agreement with Archer-Daniels-Midland Company ("ADM") pursuant to which the Company and ADM formed a joint venture (the "ADM JV") to manufacture and sell astaxanthin and derivative products throughout the world. Each of the Company and ADM has a 50% ownership interest in the ADM JV and has equal representation on the Board of Managers of the ADM JV.

On October 31, 2007, Igene terminated its relationship with Tate & Lyle. Igene maintains the saleable inventory after the termination of the relationship. Igene is selling the existing inventory in order to maintain its relationship with customers and use these funds to cover expenses. We anticipate that our current inventory will run out during the third quarter of 2009. Currently, the activities of the new ADM JV are costs related to the development of the plant and the preparation for the production of new product. For the six months ended June 30, 2009, these expenses resulted in a net loss of \$1,116,172. Igene's 50% interest resulted in the \$558,086 loss recorded. The ADM JV has begun to make product during the second quarter, but has not yet started to sell product. It is expected sales will commence during the third quarter of 2009. Management believes that this new ADM JV will provide saleable product that will allow Igene to be competitive in the market place and allow for increased sales in the future, though no assurances can be provided in this matter.

**IGENE Biotechnology, Inc. and Subsidiary
Management's Discussion and Analysis of
Financial Condition and Results of Operations
(Continued)**

Marketing and selling expenses

For the quarters ended June 30, 2009 and 2008, Igene recorded marketing and selling expense in the amount of \$80,274 and \$163,697, respectively, a decrease of \$83,423 or 50%. For the six months ended June 30, 2009 and 2008, Igene recorded marketing and selling expense in the amount of \$186,384 and \$461,995, respectively, a decrease of \$275,611 or 59%. With the creation of the ADM JV, responsibility for the marketing and selling function is being assumed by the Joint Venture. It is expected that marketing and selling will fluctuate as activities continue to maintain its customer base through the period in which it develops the new source of production. However, no assurances can be made with regard to a new source of production or the maintenance of the customer base. These expenses are expected to be funded by cash flows from operations, to the extent available for such purposes.

Research, development and pilot plant expenses

For the quarters ended June 30, 2009 and 2008, Igene recorded research and development costs in the amount of \$417,340 and \$439,434, respectively, a decrease of \$22,094 or approximately 5%. For the six months ended June 30, 2009 and 2008, Igene recorded research and development costs in the amount of \$878,515 and \$789,538, respectively, an increase of \$88,977 or 11%. Research and development costs have increased as Igene works to develop new uses for its product. It is expected these costs will remain at current increased levels in support of increasing the efficiency of the manufacturing process through experimentation in the Company's pilot plant, developing higher yielding strains of yeast and other improvements in the Company's AstaXin® technology as it prepares to begin production in the new facility. Prior to October 2007, all research and development expenses incurred by Igene as part of the Joint Venture were reimbursed by the Joint Venture. Currently these expenses are expected to be funded by the new ADM JV and cash flows from operations, to the extent available for such purposes. During the six months ended June 30, 2009, \$876,837 of the research and development cost was reimbursed by the ADM JV.

General and administrative expenses

General and administrative expenses for the quarter ended June 30, 2009 and 2008 were \$249,503 and \$227,685, respectively, an increase of \$21,818 or 9%. General and administrative expenses for the six months ended June 30, 2009 and 2008 were \$482,159 and \$404,795 respectively, an increase of \$77,364 or 19%. These costs are expected to remain at current levels. Igene works to reduce overhead costs and spend funds on research and development efforts. A small portion of this cost is expected to be covered by the ADM JV, but the majority of these expenses will need to be funded by cash flows from operations, to the extent available for such purposes. \$30,000 of the 2009 general and administrative cost was reimbursed by the ADM JV.

Expenses reimbursement by ADM Joint Venture

As part of the ADM Joint Venture Agreement, a portion of costs incurred by Igene related to production, research and development, as well as those related to the marketing of AstaXin®, are considered costs of the Joint Venture and therefore will be reimbursed by the ADM JV. For the six months ended June 30, 2009, costs reimbursed by the ADM JV totaled \$906,837. The costs covered \$876,837 of research and development costs and \$30,000 of general and administrative costs.

**IGENE Biotechnology, Inc. and Subsidiary
Management's Discussion and Analysis of
Financial Condition and Results of Operations
(Continued)**

Other Income

Igene had other income for the six months ended June 30, 2009 of \$1,026,642. Of this amount, \$1,025,741 is a one-time occurrence related to a liability recorded in a prior period related to the termination of the joint venture with Tate & Lyle. On February 26, 2009, Igene signed a settlement agreement of past obligations and made a final payment to Tate & Lyle in the amount of \$714,227. At the termination of the joint venture, Igene recorded liabilities of \$890,000 for payments of past payables of the joint venture as well as \$51,000 for costs related to collection of receivables of the joint venture. The expense was recorded when it was thought Igene could be liable for it, but with the exception of the \$5,000,000 liability related to future revenue (see Note 2), Igene has settled its debt to Tate & Lyle.

Interest expense

Interest expense for the quarters ended June 30, 2009 and 2008 was \$9,030 and \$550,897, respectively, a decrease of \$541,867 or 98%. This includes amortization of discounts on Igene's notes and debentures of \$351,695 for the quarter ended June 30, 2008. For the six months ended June 30, 2009 and 2008, interest expense was \$17,901 and \$1,101,749, respectively, a decrease of \$1,083,848 or 98%. This includes amortization of discounts on Igene's notes and debentures of \$703,390 for the six months ended June 30, 2008. The interest expense was almost entirely composed of interest on the Company's long term financing from its directors and other stockholders, and interest on the Company's subordinated debentures in both periods. The reduction in this expense is due to the recapitalization undertaken by Igene during the fourth quarter of 2008, and the conversion of the majority of the Igene debt into an equity position (see Note 3).

Net loss and basic and diluted net loss per common share

As a result of the foregoing, the Company reported comprehensive losses of \$547,822 and \$1,127,522, respectively, for the quarters ended June 30, 2009 and 2008, a decrease in the loss of \$579,700 or 51%. This represents a loss of \$0.00 and \$0.01 per basic and diluted common share in each of the quarters ended June 30, 2009 and 2008, respectively. The Company reported comprehensive income of \$196,918 and comprehensive loss of \$1,777,898, respectively, for the six months ended June 30, 2009 and 2008. This represents income of \$0.00 and loss of \$0.02 per basic and diluted common share in each of the six months ended June 30, 2009 and 2008, respectively. The weighted average number of shares of common stock outstanding of 1,518,503,841 and 110,337,072 for the quarters and six months ended June 30, 2009 and 2008, respectively, has increased by 1,408,166,769 shares. The increase in outstanding shares resulted mainly from the shares related to the recapitalization undertaken by Igene during the fourth quarter of 2008, and the conversion of the majority of the Igene debt into an equity position (see Note 3).

Financial Position

During the six months ended June 30, 2009 and 2008, in addition to the matters previously discussed, the following actions also materially affected the Company's financial position:

- Decreases in inventory for the six months ended June 30, 2009 of \$2,358,892 was a source of cash, offset by funds used to decrease accounts payable and accrued expenses by \$661,078, and increases of accounts receivable of \$181,201; and
- The carrying value of redeemable preferred stock was increased and interest expense recorded in the amount of \$3,546 in 2009, reflecting cumulative unpaid dividends on redeemable preferred stock.

**IGENE Biotechnology, Inc. and Subsidiary
Management's Discussion and Analysis of
Financial Condition and Results of Operations
(Continued)**

In December 1988, as part of an overall effort to contain costs and conserve working capital, Igene suspended payment of the quarterly dividend on its preferred stock. Resumption of the dividend will require significant improvements in cash flow. Unpaid dividends cumulate for future payment or addition to the liquidation preference or redemption value of the preferred stock. As of June 30, 2009, total dividends in arrears on Igene's preferred stock total \$147,860 (\$13.28 per share) and are included in the carrying value of the redeemable preferred stock.

Liquidity and Capital Resources

Historically, Igene has been funded primarily by equity contributions and loans from stockholders. As of June 30, 2009, Igene had working capital of \$2,224,550, and cash and cash equivalents of \$1,526,272.

Cash provided by operating activities during the six-month period ended June 30, 2009 equaled \$1,261,665 as compared to cash used by operating activities of \$405,582 for the six-month period ended June 30, 2008.

Cash used by investing activities during the six-month period ended June 30, 2009 and 2008 equaled \$1,289,490 and \$219,180, respectively, resulting from the purchase of equipment and advances to the ADM JV.

No cash was used or provided by financing activities during the first six months of 2009 or 2008.

Over the next twelve months, Igene believes it will need additional working capital. Part of this funding is expected to be received from sales of AstaXin®, resulting in increased cash through the third quarter of 2009. Additional funding is expected through the ADM JV reimbursement of expenses. There will be additional delay between the commencement of production and the receipt of proceeds from any sale of such product. However, there can be no assurance that projected cash from sales, or additional funding, will be sufficient for Igene to fund its continued operations.

The Company does not believe that inflation had a significant impact on its operations during the six-month periods ended June 30, 2009 and 2008.

Off-Balance Sheet Arrangements

There have been no material changes in the risks related to off-balance sheet arrangements since the Company's disclosure in its Annual Report on Form 10-K for the year ended December 31, 2008.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

The Company is a smaller reporting company as defined by Rule 12b-2 of the Securities Exchange Act of 1934, as amended (the "Exchange Act") and is not required to provide the information required under this item.

IGENE Biotechnology, Inc. and Subsidiary Controls and Procedures

Item 4. Controls and Procedures

We carried out an evaluation, under the supervision and with the participation of our management, including our principal executive officer and principal financial officer, of the effectiveness of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) of the Exchange Act (defined below)). Based upon that evaluation, our principal executive officer and principal financial officer concluded that, as of the end of the period covered in this report, our disclosure controls and procedures were not effective to ensure that information required to be disclosed in reports filed under the Securities Exchange Act of 1934, as amended (the "Exchange Act") is recorded, processed, summarized and reported within the required time periods and is accumulated and communicated to our management, including our principal executive officer and principal financial officer, as appropriate to allow timely decisions regarding required disclosure.

Our management, including our principal executive officer and principal financial officer, does not expect that our disclosure controls and procedures or our internal controls will guaranty the prevention of any error or fraud. A control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Further, the design of a control system must reflect the fact that there are resource constraints and the benefits of controls must be considered relative to their costs. Due to the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, have been detected. To address the material weaknesses, we performed additional analysis and other post-closing procedures in an effort to ensure our consolidated financial statements included in this annual report have been prepared in accordance with GAAP. Accordingly, management believes that the financial statements included in this report fairly present in all material respects our financial condition, results of operations and cash flows for the periods presented.

Igene is undertaking to improve its internal control over financial reporting and improve its disclosure controls and procedures. As of December 31 2008, we had identified the following material weaknesses which still exist as of June 30, 2009 and through the date of this report.

1. As of December 31, 2008, we did not maintain effective controls over the control environment. Specifically, we have not formally adopted a written code of business conduct and ethics that governs the Company's employees, officers and directors. Additionally, we have not developed and effectively communicated to our employees its accounting policies and procedures. This has resulted in inconsistent practices. Further, the Board of Directors does not currently have any independent members and no director qualifies as an independent audit committee financial expert as defined in Item 407(d)(5)(ii) of Regulation S-B. Since these entity level programs have a pervasive effect across the organization, management has determined that these circumstances constitute a material weakness.
2. As of December 31, 2008, we did not maintain effective controls over financial statement disclosure. Specifically, controls were not designed and in place to ensure that all disclosures required were originally addressed in our financial statements. Accordingly, management has determined that this control deficiency constitutes a material weakness.
3. As of December 31, 2008, we did not maintain effective controls over equity transactions. Specifically, controls were not designed and in place to ensure that equity transactions were properly reflected. Accordingly, management has determined that this control deficiency constitutes a material weakness.

IGENE Biotechnology, Inc. and Subsidiary
PART II
OTHER INFORMATION

Item 1. Legal Proceedings

There are no material pending legal proceedings to which Igene is a party or to which any of Igene's properties are subject; nor are there pending material bankruptcy, receivership or similar proceedings with respect to Igene; nor are there material proceedings pending or known to be contemplated by any governmental authority; nor are there material proceedings known to Igene, pending or contemplated, in which any of Igene's directors, officers, affiliates or any principal security holders, or any associate of any of the foregoing, is a party or has an interest adverse to us.

Item 1A. Risk Factors

The Company is a smaller reporting company as defined by Rule 12b-2 of the Exchange Act and is not required to provide the information required under this item.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

None.

Item 3. Defaults Upon Senior Securities

In December 1988, as part of an overall effort to contain costs and conserve working capital, the Company suspended payment of the quarterly dividend on its preferred stock. Resumption of the dividend will require significant improvements in cash flow. Unpaid dividends cumulate for future payment or addition to the liquidation preference or redemption value of the preferred stock. As of August 4, 2009, total dividends in arrears on the Company's Series A Convertible Preferred Stock total \$147,860 (\$13.28 per share) and are included in the carrying value of the redeemable preferred stock.

Item 4. Submission of Matters to a Vote of Security Holders

None.

Item 5. Other Information

None.

Item 6. Exhibits

EXHIBIT NO.	DESCRIPTION
3.1	Articles of Incorporation of the Registrant, as amended as of November 17, 1997, constituting Exhibit 3.1 to the Registration Statement No. 333-41581 on Form SB-2 filed with the SEC on December 5, 1997, are hereby incorporated by reference.
3.2	Articles of Amendment to Articles of Incorporation of the Registrant, constituting Exhibit 3.1(b) to the Registration Statement No. 333-76616 on Form S-8 filed with the SEC on January 11, 2002, are hereby incorporated by reference.
3.3	By-Laws of the Registrant, constituting Exhibit 3.2 to the Registration Statement No. 33-5441 on Form S-1 filed with the SEC on May 6, 1986, are hereby incorporated by reference.
31.1	Rule 13a-14(a) or 15d-14(a) Certification of the Registrant's principal executive officer.*
31.2	Rule 13a-14(a) or 15d-14(a) Certification of the Registrant's principal financial officer.*
32.1	Rule 13a-14(b) or 15d-14(b) Certification of the Registrant's principal executive officer pursuant to 18 U.S.C. Section 1350 as adopted pursuant to Rule 906 of the Sarbanes-Oxley Act of 2002.*
32.2	Rule 13a-14(b) or 15d-14(b) Certification of the Registrant's principal financial officer pursuant to 18 U.S.C. Section 1350 as adopted pursuant to Rule 906 of the Sarbanes-Oxley Act of 2002.*

*Filed herewith.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

IGENE BIOTECHNOLOGY, INC.
(Registrant)

Date	<u>August 14, 2009</u>	By	<u>/S/ STEPHEN F. HIU</u> STEPHEN F. HIU President (principal executive officer)
Date	<u>August 14, 2009</u>	By	<u>/S/ EDWARD J. WEISBERGER</u> EDWARD J. WEISBERGER Chief Financial Officer (principal financial officer)

EXHIBIT INDEX

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*Filed herewith.

CERTIFICATIONS

I, Stephen F. Hiu, certify that:

1. I have reviewed this quarterly report on Form 10-Q of IGENE Biotechnology, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f) for the registrant and have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 14, 2009

/S/ STEPHEN F. HIU

STEPHEN F. HIU
President

CERTIFICATIONS

I, Edward J. Weisberger, certify that:

1. I have reviewed this quarterly report on Form 10-Q of IGENE Biotechnology, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f) for the registrant and have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 14, 2009

/S/ EDWARD J. WEISBERGER

EDWARD J. WEISBERGER
Chief Financial Officer

**CERTIFICATION OF CHIEF EXECUTIVE OFFICER
PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the IGENE Biotechnology, Inc. (the "Company") Quarterly Report on Form 10-Q for the period ended June 30, 2009, as filed with the Securities and Exchange Commission (the "Report"), I, Stephen F. Hiu, President of the Company, certify pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to the best of my knowledge:

- (1). The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
- (2). The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: August 14, 2009

By: /S/ STEPHEN F. HIU
STEPHEN F. HIU
President

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

**CERTIFICATION OF CHIEF FINANCIAL OFFICER
PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the IGENE Biotechnology, Inc. (the "Company") Quarterly Report on Form 10-Q for the period ended June 30, 2009 as filed with the Securities and Exchange Commission (the "Report"), I, Edward J. Weisberger, Chief Financial Officer of the Company, certify pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to the best of my knowledge:

- (1). The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
- (2). The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: August 14, 2009

By: /S/ EDWARD J. WEISBERGER
EDWARD J. WEISBERGER
Chief Financial Officer

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.